

Date: May 22, 2014

To: Susan West

From: Tom Tomczyk, FCA, MAAA, ASA

Re: Fiscal Year 2015 Fund Balance

We have been working with Alvarez & Marsal to evaluate the impact of a 5% rate increase effective July 1, 2014, and plan design changes to current OGB plan offerings. Based on our review we support the 5% rate increase effective July 1, 2014, and along with \$131.8 million in projected cost savings due to plan design changes we estimate the fund balance at the end of Fiscal Year 2015 to exceed \$100 million.